




Rural COZ

An Active Rural Colorado Opportunity Zone Fund

Because we believe in rural Colorado communities as much as we love rural Colorado beauty.



Vision



Provide investors
superior risk-adjusted
returns by unlocking
dormant value in our
rural communities

Building the Startup Ecosystem in Western CO

- Entrepreneurs, Mentors & Advisors
- Funding
- Events, Meetups, & Networking
- Spaces & Places
- Education
- Service Providers
- Big Companies, Government, & Community Resources
- Local Dedicated Press
- Livability

“Startup Communities” - Brad Feld



4PF Syndicate & Steamboat Launch

Aug-2017



Feb-2018



Aug-2018

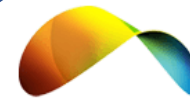


Feb-2019



4PF Angel Syndicate Investments

- STEAMBOAT BASED
- 1.5 years in
- 6 Investments Made
- Intellectual Capital, not *just* dollars



P4P ENERGY



WESTERN  RISE



hearo
club

Western Slope Angels



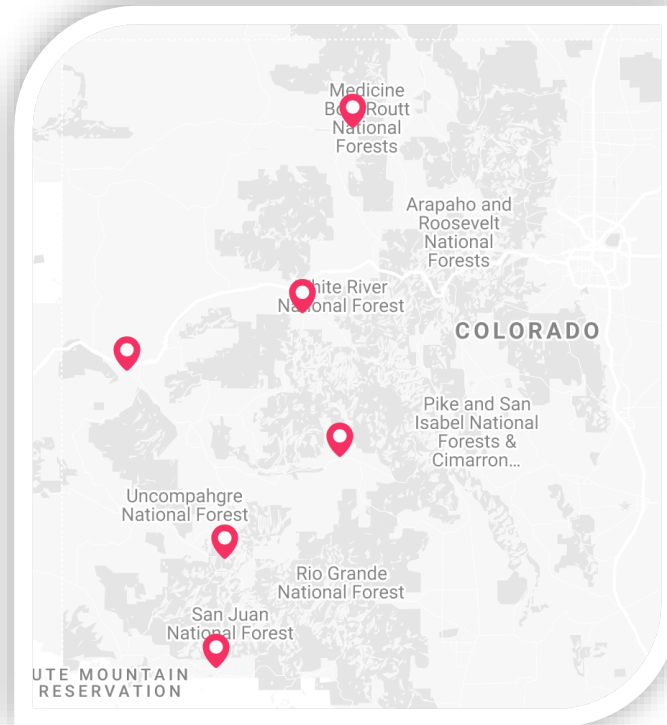
Powered by  Silicon Flatirons

<https://startupcolorado.org/>



GREATER COLORADO VENTURE FUND

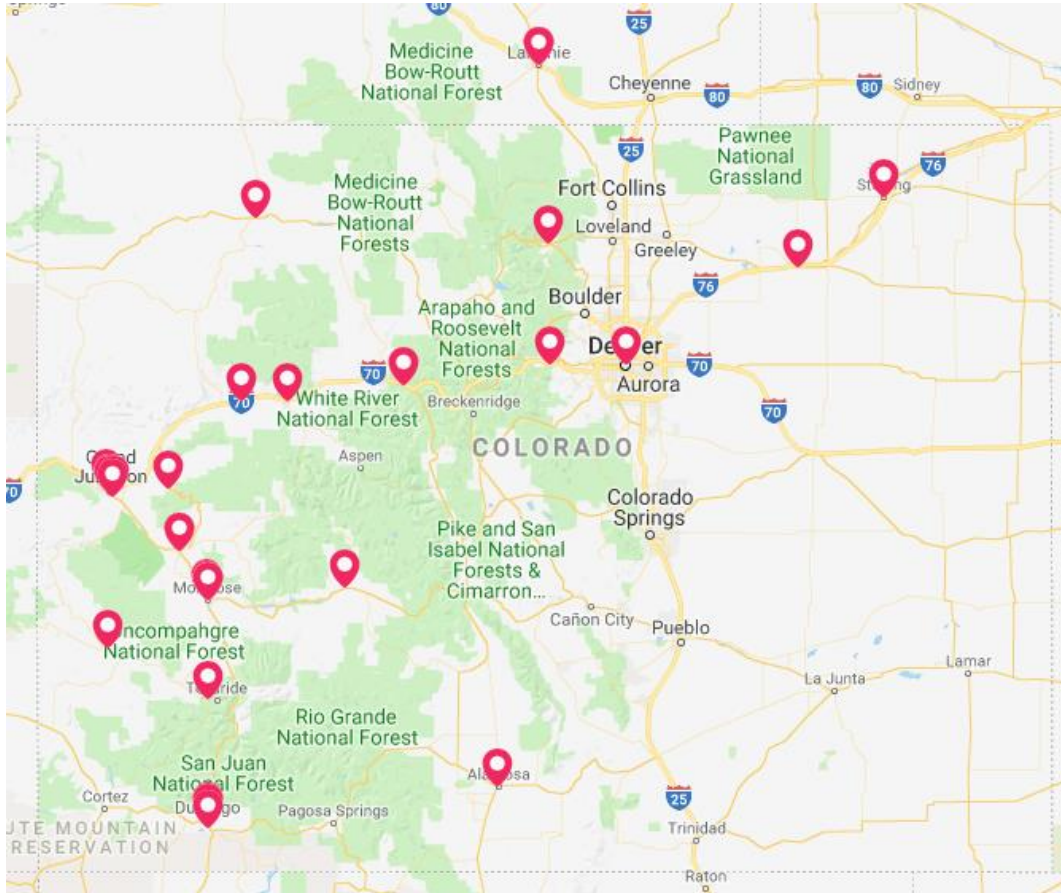
<https://www.greatercolorado.vc/>



Startup Hubs

- **Steamboat** – <http://steamboatlaunch.com>
- **Grand Junction** – West Slope Startup Week
- **Carbondale** - <https://www.coventure.io/>
- **Gunnison** - <https://icelab.co/>
- **Telluride** - <https://www.tellurideva.com/>
- **Durango** - <https://goscape.org/>

Natural Pipeline for OZ Deals



- Targeting emerging, vibrant communities
- Experienced operating teams
- Community Supported
- 2-year pipeline suggests a clear path to place ~\$200M in equity

OZ at its Simplest



Roll Gains Forward

Short or long-term capital gains into qualified OZ investments.



Defer Taxes

Defer taxes on Gains realized today until 2026.



Reduce Taxes

Up to 15% reduction of 2026 tax bill.



Eliminate Taxes

100% forgiveness of taxes for gains made in the OZ after 10 year hold.

10-20 year investment

1031 Comparison



- Defer gains from sale of **any property** not just 1031 property
- **Separate basis from gains** and exit 1031 hamster wheel
- **180 days** to roll into oz fund gives time to carefully pick your next investment
- No qualified intermediary required in OZ
- Some key OZ restrictions do exist
 - Must double basis in invested property
 - Can not be from sale of related party





Rural COZ Specifics

Accelerating the work we are already
doing in rural Colorado

Investment Strategy



More of what we are
already doing

Impact Motivated

Community Need

Lasting Impact

Diversification

Return Driven



Investment Focus

Real Estate – Commercial,
Residential , Mixed Use

Asset Based Businesses – place
base businesses deriving revenue
from the assets on the property

- Strong Community Plan
- Creating “sense of place”
- Partner with developers
- Local EDC Partnerships
- Appropriate use of leverage



Guidance
Driving OZ

Initial Projects

- 12%-15% IRR
 - Net of fees
 - Before OZ Benefit
- Assets generate income at stabilization.
- Cash distributions as early as year 2
- 10-15 year hold
- 100% equity deployment per project occurring at Fund conception



Investment Fund Details



OZ DEALS

Completed or Pending Investment Sample
Review

SAMPLE: 200 Unit Apartment



200 Unit Apartment Building in a community where employers need to bus employees in to support manufacturing jobs.

Capital	Deal Total:	\$40M
	Equity Req:	\$4M
	Concessions:	\$4M
	IRR:	12% (w/o OZ)
	Equity Multiple:	2.75

- Impact**
- 10% Rent Controlled in return for concessions
 - 200 units needed for workforce housing
 - Incentivize new companies to move to area
 - Follow-on childcare and healthcare possible

OZ Benefits Analysis

Projections show a **\$2M investment** in the apartment project with versus w/o OZ Benefits.

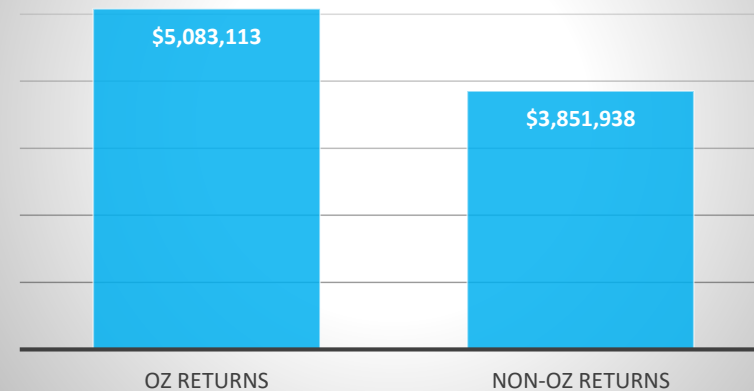
Pro Rata	OZ	Non-OZ
Return of Cap	\$2,000,000	\$1,524,000
Net Income	\$1,669,749	\$1,272,348
Net Gains	\$1,817,964	\$1,055,590

\$1,231,174 Net Increase – 31.96%

Assumptions

- 23.8% Cap Gains Tax Rate
- 35% Income Tax Rate

Total Income & Gains Returned



Sample: New Condos



44 residential condominium units already through the 2 year entitlement process and is shovel ready.

Total Deal Capital: \$18M

OZ Equity (RentCo):	\$5.2M	IRR:	13%
non-OZ Equity (SaleCo):	\$3.2M	IRR:	13%

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- Impact**
- Contributions to “Fair Share” support attainable housing in Durango
 - Fulfills community plan of desirable downtown living

Sample: New Hotel



142 unit hotel building in downtown resort, walkable to skiing and amenities.

Capital	Deal Total:	\$36M
	Equity Req:	\$14M
	IRR:	14.5% (w/o OZ)
	Equity Multiple:	3.1

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- Impact**
- Fills missing mid-market need
 - Economic development and job creation

Management Team



Chris Montgomery

Chris has been investing in real estate for the last 13 years, leading investment of 104M in over 740 assets. Chris developed the most active distressed real estate investing firm in Western Colorado. Chris is a founding partner of 4PF and active Angel Investor in startup businesses in rural Colorado. Prior to full time investing, he was the founder and CEO of an Austin based IT company which developed data driven web applications.



Shawn Bertini

Following the sale of his first tech company, Shawn enjoyed a career in technology that provided experience ranging from startup to super-global-mega-corp. Managing global teams and high-availability platforms delivering millions of daily transactions through multiple mergers helped Shawn hone process discipline and personnel management skills that he has been applying to investing and mentoring in rural Colorado since helping found 4PF in 2017.



Stephanie Copeland

Stephanie joined 4PF in January of 2019 after serving Governor Hickenlooper on his cabinet leading economic development. While at the state, Stephanie led the team evaluating and designating the opportunity zones in the state and has become one of the country's thought leaders in activating this investment incentive. Prior to her role with Governor Hickenlooper, Stephanie spent over 25 years in the telecom sector building companies both in the US and in Europe.

Thoughts on Fees

- Fee structure will always be simple and transparent.
- OZ Funds are designed for long term patient capital.
- Fund Manager incentives should be aligned with LP incentives.
- Fund investments will be income generating once stabilized. Asset management fees hit a hard cliff after year 5.

Terms

Minimum Commitment	\$100,000
Term	15 years

Fees and Expenses

Per Fund Setup Fee	\$50,000
Asset Management Year 1-3	2%
Asset Management Year 4-5	1%
Carried Interest	20%
Hurdle Rate	8%
Catch Up	50%
No Transaction Fees	
No Related Party Fees	



Actively Raising



For Profit

Real Estate Backed

Tax Deferred

Impact Motivated

Deals Across Rural CO
& Like Communities





Thank You

<http://fourpointsfunding>

<http://ruralcoz.com>

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Endnote 1

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Endnote 2

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Endnote 3

The summary provided herein of the Fund’s terms and conditions does not purport to be complete. The Fund’s Memorandum and related Offering Materials should be read in their entirety prior to an investment in the Fund.

Total Project Equity	\$4,000,000		Projected Gains	\$3,635,928
Pre-Tax Gains to Invest	\$2,000,000		Projected Income	\$5,137,688
Non-Opportunity Zone Investment			Opportunity Zone	
Equity Into Project			Equity Into Project	
Pre-tax Gains to Invest	\$2,000,000		Pre-tax Gains to Invest	\$2,000,000
Approx. Capital Gains %	23.80%		Approx. Capital Gains %	0.00%
Approx. Capital Gains Tax	\$476,000		Approx. Capital Gains Tax	\$0
Equity for Project	\$1,524,000		Equity for Project	\$2,000,000
Percent Project Ownership	38.10%		Percent Project Ownership	50.00%
Returns			Returns	
Return of Capital	\$1,524,000		Return of Capital	\$2,000,000
Capital Gains at Sale	\$3,635,928		Capital Gains at Sale	\$3,635,928
Pro Rata Gains pre tax	\$1,385,289		Pro Rata Gains pre tax	\$1,817,964
Net Gain after Tax	\$1,055,590		Net Gain after Tax	\$1,817,964
Total Taxable Income	\$5,137,688		Total Taxable Income	\$5,137,688
Pro Rata Income Pre Tax	\$1,957,459		Pro Rata Income Pre Tax	\$2,568,844
Approx. Income Tax	35%		Approx. Income Tax	35%
Net Income After Tax	\$1,272,348		Net Income After Tax	\$1,669,749
2026 Tax Bill	n/a		2026 Tax Bill	(\$404,600)
Total Post Tax Return	\$3,851,938		Total Post Tax Return	\$5,083,113
			Increased Total Return	\$1,231,174
			Percent Increase in Total Return	31.96%